



ORIGINAL Hillcrest



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Arizona Corporation Commission

Mike Gleason, Chairman

William A. Mundell

Jeff Hatch-Miller

Kristan K. Mayes

Gary Pierce

Arizona Corporation Commission

DOCKETED

NOV 3 2008

DOCKETED BY

John Sears

10/25/2008

Chairman-UCSA

Hillcrest Bay

Parcel 310-32-144

Docket No. E-01345A-07-0663

Docket No. T-01846b-07-0663

In response to the letter from Ms. Joy Muzic, Docketed on October 20, 2008

Ms. Muzic asserts that the information is biased in favor of the UCSA:

Hillcrest Bay complies with the HOA laws of Arizona, the CC&R'S and it's By-Laws. The owners by a large majority have petitioned for and expect that the UCSA project be advanced by the HOA and eventually approved by the ACC. The majority of owners favor this project and expect it to go forward.

No 1) Ms. Muzic feels that the qualifying information in the Survey document amounts to scare tactics.

This specific information was included so that there was no question as to what the Survey choices meant. It is factual and should not scare anyone.

No 2) Ms. Muzic states that the cost is still not known:

The owners had to comply with the requirements of the State of Arizona 6.1 conversion by obtaining sufficient signatures on the 1st petition. The utilities were then required to develop the cost to the UCSA. As a result the Verizon and APS public cost and service cost for this project, was mailed to each owner on March 21, 2007, by the combined utilities. The meter to panel conversion cost estimate, a letter of explanation and the 2nd petition was mailed by the HOA, to each owner, March 24, 2007. These costs are also listed in the Opinion and Order of the Honorable Judge Sarah N. Harpring. (Pg. 20 to 26)

To clarify her confusion about the 3rd petition:

This project began under jurisdiction of La Paz County and as such, a majority of owners signed the 1st petition, as a result Hillcrest bay was successful in having La Paz County approve and form an Underground Utility District for this project. Subsequently, Verizon withdrew their support and this effort failed. This petition was one of three. The UCSA required that two petitions be successfully supported by the Hillcrest Bay owners for the UCSA to go forward.

Therefore, there have been a total of three petitions.

No3) Ms. Muzic is concerned with the criteria for financial assistance:

The effort to provide financial assistance is on going. Owners have responded with their information. Those who have asked for help were provided with an application to qualify for assistance, just last week. We do not as yet, have the results of this effort. (Attachment)

The determination of who qualifies for financial assistance is to be determined by an independent Certified Public Accountant. The owners will need to verify their need for assistance. No Hillcrest Bay owner will ever have access to this information.

The HOA holds monthly meetings at Hillcrest Bay. Advance notice of time, place and date is posted on the bulletin board located next to the mail boxes and on Hillcrest Bay website. Ms. Muzic is welcome to come to these meetings or call or e-mail me or any board member for information. As volunteers, we are doing everything that is reasonable, to make the UCSA information available. Ms. Muzic or any owner can be informed, with a little effort in the right direction, on their part. The UCSA committee would welcome her assistance, as well.

Ms. Muzic is concerned about the monthly payment for some owners:

A BankRate.com sample document to be taken home, (Attached) was available to her at the recent annual homeowners meeting. By reading page 24, of the Opinion and Order provided to her by the ACC and using the provided rate sheet, Ms. Muzic can calculate the estimated monthly payments amounts, for all properties. The average parcel cost is \$8394.00, pg 24, of the Opinion and Order. @ 8%(maximum) this is \$80.22 mo, @ 6% \$70.83, @ 5% \$ 66.38.

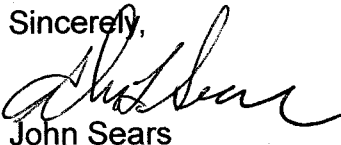
At each homeowner meeting that I have attended, the APS drawing for overhead redesign has been available on request. In the July 2007 meeting minuets, notice was given to see me to review the overhead design plans, some did. If Ms. Muzic cares to call me, I will meet her locally and go over these plans with her.

As for my property, I am not aware that a telephone pole is in the front of my property.

The information discussed at the annual meeting that clarified the Verizon position for telephone service to Hillcrest Bay, is attached.

As to the economics referenced by Ms. Muzic, it is important to be aware that to date no owner has had to come up with money for their portion of the UCSA. As it stands now, once approved, it will be close to 2010 before the project can start, if then.

Sincerely,



John Sears

Attachments: (4)

Dear Hillcrest Bay Homeowner,

October 22, 2008

You have indicated to our Board that you need financial assistance to help with the expenses of the UCSA (Underground Conversion Service Area). This assistance will be for new connections and panel conversion of your dwelling. In order to qualify for financial assistance you need to:

1. calculate *all* your income and verify in the attached Household Income chart that your household income is at or below the indicated levels.
2. submit complete copies of your Federal tax returns for the last two years (all schedules) or other proof of income (i.e. 1099 SSA).
3. submit the attached application answering all questions and including your signature and date at the bottom.
4. you must be the owner of record of an improved lot when the project is completed.

Note: If the owners of record file separate tax returns, an application and the income verifying documentation must be submitted for each owner.

The board has retained Douglas Bigler, CPA to review your documentation. Both parties (the Board and Mr. Bigler) are committed to protecting the privacy of our homeowners. Mr. Bigler will utilize this information in a responsible and professional manner. All the information you submit is considered confidential. The board will only be informed of Mr. Bigler's determination of your eligibility. Neither the board nor any other individual will ever have access to your personal information.

Thank you for your cooperation,

Underground Utility Committee

HILLCREST BAY
UCSA Financial Assistance Program Application

Date: ____/____/____ Name: _____
(Last) (First)

Hillcrest Address: _____

(City) (State) (Zip)

Lot #: _____ Telephone # (____) _____ - _____

| HOUSEHOLD INCOME | | | |
|------------------|----------------------|----------------|----------------------|
| Household Size | Monthly Income Level | Household Size | Monthly Income Level |
| 1 Person | \$1603 | 5 People | \$3823 |
| 2 People | \$2158 | 6 People | \$4378 |
| 3 People | \$2713 | 7 People | \$4933 |
| 4 People | \$3268 | | |

**Low income program guidelines are 185% of the 2008 Federal Poverty Guidelines.*

- ☐ Complete & sign application.
- ☐ Complete copy of Federal Tax returns or other proof of income (i.e. 1099 SSA)
- ☐ You must be the owner of record at the time the UCSA project is completed.

In order to respect your privacy, we ask that you mail or fax your application and supporting documents directly to Doug Bigler, CPA. The CPA firm will review the documents and make a determination of your eligibility for assistance. Applications post marked after November 22, 2008 **shall not** be considered. Any incomplete applications without the requested verifying information will not be considered.

Mail to:

Douglas R. Bigler, CPA
Attention: UCSA Financial Assistance Program
160 N. Broadway
Blythe, Ca 92225
FAX (760) 922-4901

Permission is hereby granted to the Douglas R. Bigler, CPA to contact any sources necessary to establish the accuracy of the information given which pertains to the verification of my eligibility. Permission is hereby granted to the Douglas R. Bigler, CPA and the Internal Revenue Service or Social Security Administration to exchange information that I have provided. If the information provided on this form is false and used to fraudulently obtain financial assistance under this program. I will be required to repay the amounts paid on my behalf.

I affirm that the attached income information is true and correct and if needed, I authorize Douglas R. Bigler, CPA to confirm income documentation is true and correct. I understand the conditions of this financial assistance program.

(Signature & Date)

(Signature & Date)



Hillcrest Bay, Inc.

BANK RATE.COM CALCULATIONS

PAYMENT AMOUNT

\$5000.00 5% 15YR. \$39.54 MO.

\$5000.00 6% 15YR. \$42.19 MO.

\$5000.00 8% 15YR. \$47.78 “

\$5000.00 6% 10YR. \$55.51 “

\$5000.00 8% 10YR. \$60.66 “

\$7,500.00 5% 15YR. \$59.31

\$7,500.00 6% 15YR. \$63.29

\$7,500.00 8% 15YR. \$71.67

\$7,500.00 6% 12YR. \$73.19

\$7,500.00 8% 12YR. \$81.18

\$10,000.00 5% 15YR. \$79.08

\$10,000.00 6% 15YR. \$84.39

\$10,000.00 8% 15YR. \$95.97

\$10,000.00 6% 12YR. \$97.59

\$10,000.00 8% 12YR. \$108.25

9/23/2008

Mr. William Kearns,
District Manager, Sunbelt District
Verizon Communications.
Palm Springs, Ca.

RE: land lines vs. new technology.

Bill, in your opinion will copper land lines for telephone service in the Parker Arizona area become obsolete in the foreseeable future, say 20 or more years from now?

Is technology, such as Hub or any other technology available that would make the Hillcrest Bay telephone system, either overhead or under ground obsolete in the foreseeable future?

Thank you for taking the time to answer my concern about the permanency of land lines in the Parker Hillcrest Bay area.

Thank you,
John Sears,
Hillcrest Bay, Inc.

From: william.kearns@verizon.com
To: John Sears
Cc: william.kearns@verizon.com ; luis.becerra@verizon.com
Sent: Tuesday, September 23, 2008 5:33 PM
Subject: Re: John Sears, Hillcrest Bay, land lines

John,

It was nice to hear from you.

In my personal opinion, I do not see copper facilities being obsolete in the near term future for the Hillcrest Bay Mobile Manner.

Technology has brought changes to the Telcom industry. Data transmission, through the emergence of wireless, fiber optics, and satellite has had an impact on copper facilities. However, technology has been, and is still being used, on the copper medium. As an example, through multiplexing, digital signals are sent through copper twisted pair to provide voice grade service. By multiplexing, we are able to provision multiple voice services over one copper line. That way, we minimize cost / service.

(MAJOR)
(CAPITAL)

The majority of our residential service is provided over copper twisted pair; And since we have a major CAPEX investment in copper, the Telcom industry utilizes current and future technology to minimize any additional investment while providing service to our customer base.

I hope this answers your question. Please feel free to contact me for any additional opinions.

Bill Kearns
District Manager
Network Engineering
Sunbelt District
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760-475-3745 Cell
760-325-2536 Fax
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Palm Springs Ca. 92262-5295